

# It's Your Business

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**USDA Rural Development  
SBA Guaranteed Loan  
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FREE  
Information Sessions**

**Scottsbluff  
August 24**  
Panhandle Research &  
Extension Center  
4502 Avenue I Street  
**North Platte  
August 25**  
Mid-Plains Community  
College, 601 W. State  
Road, Room 131

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(402) 221-7211  
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Helping small businesses  
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Your Small Business Resource

## SBA sees continued growth in 3rd quarter

Small businesses in Nebraska have continued to find needed financing in a tight credit market and recovering economy through government-backed loans through lending institutions throughout the state.

The Nebraska District Office continued to experience a significant increase in its guaranteed loan dollar activity through the third quarter of its 2010 fiscal year. From April 1 to June 30, 2010, the overall number of loans in the state jumped 21 percent, representing nearly \$40 million in small business lending, compared to the same period last year.

Loan dollar amounts per loan in Nebraska saw a slight increase (3.7 percent) over this time last year, averaging nearly \$240,000.

SBA-backed loan activity in Nebraska for the third quarter is greater than the number of loans approved at this time in 2006, well before the onset of the current recession.

Seventy percent of SBA loans in Nebraska during the third quarter went to existing small

businesses. More importantly, as a direct result of SBA guaranteed small business financing throughout the state in the third quarter, 494 jobs are being created.

These gains are notable in light of expiration in May of provisions of the Recovery Act, which provided funding for higher loan guarantees for lenders and lower fees for borrowers on SBA-backed small business loans.

Loan totals in the third quarter throughout Region VII, which encompasses Nebraska, Missouri, Iowa and Kansas, were up almost 23 percent, with the average dollar amount per loan up 15 percent, compared to the third quarter of Fiscal Year 2009.

Nationwide, the total number of SBA-backed loans saw a 12 percent increase in the third quarter, while the average dollar amount per loan was up 4.1 percent.

Since October 1, the start of the present fiscal year, there have been 479 SBA-backed  
(see 3rd Quarter, page 2)

## ALL NATIVE SERVICES PRESIDENT NAMED REGION'S TOP MINORITY SMALL BUSINESS PERSON

Dean Cotton, Acting Region 7 Administrator of the U.S. Small Business Administration (SBA) announced Lance Morgan, president of All Native Services headquartered in Winnebago, Neb., as the Region VII Minority Small Business Person of the Year for 2010.

"Minority businesses account for a significant portion of the economic growth in Nebraska and All Native Services has been at the front of that expansion," said Leon Milobar, District Director of the SBA Nebraska District Office in Omaha. "Lance Morgan not only has led his company to economic success, but his philanthropic efforts have provided hope and a bright future to young people in the

(see Morgan, page 3)



Lance Morgan, president of All Native Services.

**U.S. Small  
Business  
Administration  
7(j) Management  
and Technical  
Assistance  
Program  
for Small  
Businesses**

**Aug. 3**  
**8:30 a.m.-5 p.m.**  
**DC Centre**  
**11830 Stonegate Dr.**  
**Omaha**

This workshop is designed to meet the needs of 7(j) eligible firms that want to gather as much information as possible in the shortest amount of time, then get back to work.

The curriculum covers the key aspects of competitive proposal preparation seasoned with real world experience.

The topics include:

- Source Selection
- Proposal Preparation
- Key Documentation in a Competition
- Technical and Cost Proposals
- Request for Proposal (RFP) Structure
- The Proposal Review Process

[Register online](#)

## STUDY: HOW SMALL BUSINESS USE CREDIT

WASHINGTON, D.C. – The Office of Advocacy released a study in July examining the type of credit utilized by small business. [Bank Credit, Trade Credit or No Credit: Evidence from the Surveys of Small Business Finances](#), by Rebel A. Cole, compares firms that use credit (leveraged) with those that do not (unleveraged). The study also looks at which kind of credit leveraged firms use—bank credit (loans or lines of credit) trade credit (from suppliers) or both. The study found that the two types of credit (bank credit and trade credit) used by small firms are complements, with many small firms using both types of credit simultaneously.

“Access to credit is one of the most important issues facing small business today” said Acting Chief Counsel for Advocacy Susan Walthall. “A study that provides a better understanding of the credit used by small business is invaluable to policymakers, small business and their suppliers.”

The study finds that small firms that use no credit are significantly smaller, more profitable, more liquid, and have better credit quality; yet they hold fewer tangible assets. The study also finds that firms that use credit are larger, and the amount of credit used as a percentage of assets is positively related to the firm’s liquidity. In addition, three-fifths of the small firms that use credit use trade credit.

Businesses’ use of credit varies by industry, with firms using no credit found primarily in the service sector or wholesale and retail trade. Bank borrowing and trade credit is found more often in the manufacturing and construction sectors.

The study shows that firms that use trade credit tend to be larger and more liquid, but they also have lower credit scores. Small businesses that use bank credit are larger, younger, and less liquid. Companies that utilize neither bank nor trade credit are significantly smaller, more profitable, more liquid and of better credit quality.

For more information and a complete copy of the report, visit the [Office of Advocacy website](#).

The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policymakers. For more information, visit [the web site](#) , or call (202) 205-6533.

## QUARTERLY NUMBERS SHOW NEBRASKA SMALL BUSINESS GETTING FINANCING

*(from 3rd Quarter, page 1)*

loan approvals in Nebraska, an 56.5 percent jump over 2009, representing more than \$136 million in much-needed capital for the state’s small businesses, a 90 percent increase. The average loan amount of \$285,205 fiscal year-to-date rose almost 22 percent.

The top lender in the state during the 3rd quarter, First National Bank of North Platte, made 15 SBA-backed loans representing \$1.8 million for Nebraska’s small businesses.

“The biggest issue for small businesses in Nebraska is access to credit so they can create and keep jobs in our state,” said Leon Milobar, District Director of SBA’s Nebraska District Office.

“Even with the continuing challenges facing them, small businesses here see opportunity and

invest for the future,” Milobar added.

“The size of the SBA-backed small business loans and increase in volume we’ve seen over the past year indicate the state’s economy is growing, that small businesses needing financing continue to get it, and they’re able to keep jobs and hire more people,” Milobar added.

In economic downturns, SBA guaranteed loans typically become more attractive because the SBA provides lenders with some cushion for their risks. Lenders can provide SBA guaranteed loans for all business needs but typically turn to SBA for new businesses or businesses with less than adequate collateral, lower credit scores and smaller equity injections typically required for conventional loans.

Year to date, Nebraska ranks seventh in the nation with an average volume of \$3,247.53 in SBA-backed loans in the state per firms with employees.

By way of comparison under this criteria, Iowa ranks ninth in the U.S., Missouri is 27th and Kansas is 31st among states in Region VII.

Nebraska has received \$80.94 in per capita loan volume, a figure which ranks 12th in the country. Iowa is 16th, Missouri is 25th and Kansas is 32nd.



District Director Leon Milobar presents a certificate of service to Bonnie Packo (*left*) to commemorate her 40 years of service in the federal government. Packo, a business development specialist and the district office's administrative officer, began her career with the Veterans Administration in 1970, then moving to the Defense Department before coming to the SBA in 1997.

## REGION HONORS ALL NATIVE SERVICES' MORGAN

(from *Morgan*, page 1)  
Winnebago Tribe."

All Native Services (ANS) is an award-winning tribal-owned provider of managed services, professional services, and complete voice and data communication solutions. The company has an international presence and also offers specialized government programs in operations, maintenance, training and professional services, including program management, public affairs, government services and temporary and permanent staffing. The company produced \$25 million in annual revenue last year with more than 300 employees in four countries.

In 1994, Morgan was asked by Winnebago Tribal leaders to organize Ho-Chunk, Inc., the reservation's economic development company. At the time, the reservation in northeast Nebraska suffered nearly 70 percent unemployment. Today, with more than 20 companies, including All Native Services, under the Ho-Chunk umbrella, unemployment on the reservation has fallen to less than 10 percent.

More than 100 tribes across the country have asked Morgan for advice to replicate his model for economic development.

Morgan has ensured more than \$1 million from corporation profits has been returned to the community for scholarships, expansion of the tribal college, and job training programs for Winnebago members.

Morgan brought the Junior Achievement Organization to the Winnebago School, becoming the nation's first tribal school on a reservation to offer Junior Achievement to students, joining more than four million students worldwide in this business education program. Moreover, a summer intern program Morgan started provides outstanding college students of the Winnebago Tribe valuable work experience within a business environment and tracks potential tribe members for potential regular full-time employment.

In addition to his leadership with All Native Services, Morgan spearheaded development of a new 40-acre Ho-Chunk Village, offering affordable homes, stores, businesses, a youth center and a town square for tribal members.

With a strong commitment to using and developing clean sustainable energy systems, Morgan began a Renewable Energy Division within the firm in 2009. Under his guidance, the firm has deployed numerous wind and solar systems on the reservation and has sold them in the regional marketplace. It is one of the few renewable energy companies with its own production system.

Morgan, 41, previously has been honored awards including

- "1999 Indian Country's 20 Effective Indian Economic Development Projects & Practices Award" by National Congress of American Indians, in 2000;
- "Honoring Nations Distinction Award" by Harvard University Project on American Indian Economic Development;
- "2001 Innovations in American Government Award" by the Harvard University Institute of Government;
- the "2002 Entrepreneurial Spirit Award" by Minorities in Business Magazine;
- and was named one of Inc. Magazine's 500 "Fastest Growing Small Business" in 2003.

Don't miss this free workshop:

**"Experts Discuss:**

**Learn About the  
Government As Your  
Customer"**

**Winning Federal Contracts  
for Your Small Business**

**August 20**

**8-10 a.m.**

SBA Nebraska District Office  
& SCORE

10675 Bedford Avenue, Suite  
100, Omaha

Speakers include  
representatives from:

- SBA Office of Government Contracting
- SBA Office of Business Opportunity
- NBDC Procurement Technical Assistance Center
- In cooperation with
- 55th Contracting Squadron, Offutt Air Force Base
- U.S. Army Corps of Engineers, Omaha District

To register, call:

Kathleen Piper (402) 221-7205 or Jan Allen (402) 221-7215

**Learn:** Is this market for you?

An overview of selling to  
Local, State and Federal  
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bidding opportunities on  
the Internet:** Learn about  
Federal Business  
Opportunities.

**U.S. Small Business  
Administration  
certifications:** HUBZone and  
8(a) Business Development.

Coffee provided.



## CHADRAD DIALS IN FM OUTLET THANKS TO SBA

When people in Chadron want the news, there's only one place to turn, AM 610 KCSR. Surrounded by long, lonely stretches of grassland near the South Dakota and Wyoming border, the AM radio station is a trusted friend. Stereo AM 610 KCSR is all locally programmed; the music format is classic country with Cornhusker football and basketball, Chadron High

School football and basketball (boys & girls), with Colorado Rockies big league baseball, Denver Broncos NFL coverage, NASCAR, Local American Legion Baseball, and coverage of Nebraska state wrestling tournaments.

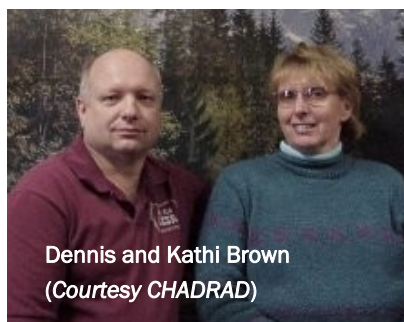
There was that summer a few years ago the town was threatened by enormous raging brush fires ignited by lightning strikes—the AM station had the only live coverage in town. Then there are the local personalities on the air, such as owners Dennis and Kathi Brown, folks you might run into at the grocery store, real people. Soon, thanks to help from the SBA's Nebraska District Office, Chadron will be able to turn to a local FM outlet, too.

Locally owned and operated for almost 20 years, Chadrad Communications sought to expand their present service by purchasing an FCC license to establish an FM presence.

Rob Bila, the vice-president at Chadron's branch of First National Bank North Platte, was the lender who submitted the application. Bila worked with Chadrad over the past several years, discussing the possibility of obtaining an FM license to couple with their existing AM license.

"There were many challenges when determining feasibility," Bila said. "Number one, we're in a recessionary period where businesses big and small are reevaluating their budgets. This makes income projects a challenge."

The second: Meeting the bank's lending guidelines while making the terms manageable for



Dennis and Kathi Brown  
(Courtesy CHADRAD)

the borrower.

That's when Bila turned to Mike Niehaus, the lead lender relations specialist, and Deborah Wilson, a lender relations specialist, at the SBA's Nebraska District Office for suggestions. Beginning in the fall of 2009 and lasting for several months up to the point of loan approval, Wilson provided vital information to Bila, researching eligibility issues and determining the

means to value the station, solving the vexing collateral issue for the banker. The two also provided critical guidance, using nationwide economic data and financial pressure facing other similar radio stations, to allow Bila to work with Chadrad Communication's potential cash flow and income for the new FM outlet. Wilson also assisted Bila with the SBA loan program process.

As a direct result of the help from Niehaus and Wilson, Chadrad Communications was approved under the provisions of the Recovery Act Feb. 3 for a Rural Lender Advantage loan, and the owners made the public announcement of the new station in July.

First National Bank North Platte has continued its efforts as an active SBA lender, having made 27 loans in fiscal year 2009; including the radio station, in FY 2010, the bank already has made 13 SBA-backed loans to small businesses in rural Nebraska for more than \$2.4 million in combined proceeds.

And the intent for the FM station? Bila said their projections show additional employment of three to five staff members, growing from 15 the station currently employs. Those extra jobs mean a lot in an area designated as a HUBZone.

Chadrad Communication's plans for the FM station are '80s rock and roll and additional coverage of local high school athletics and other programming which they hope will bring in national advertisers for a broader revenue stream.

Want to know more details on SBA loan programs and our resource partners?

We offer a FREE podcast perfect for your laptop or to listen while tooling around town.

[E-mail](#) your name and mailing address to the Nebraska District Office to get your free CD.

## WHAT IS A RURAL LENDER ADVANTAGE LOAN?

The SBA's Small/Rural Lender Advantage loan program is part of a broader SBA initiative to promote the economic development of local communities, particularly those facing the challenges of population loss, economic dislocation, high unemployment and other obstacles to small business success. Some of the advantages of this loan program include a streamlined, simpler, and more user friendly 7(a) process for small loans (\$350,000 or less).

Other advantages for qualifying lenders include a one-page application (two sided) for very small loans, but limited additional information required for loans above \$50,000.

Like other 7(a) loans, the SBA guarantees 85 percent of loans of \$150,000 or less and 75 percent of loans greater than \$150,000. Loans are centrally processed through SBA's Standard 7(a) Loan Processing Center, and expedited SBA processing with routine loans are processed within 3-5 days. Lenders using this program can transmit applications via fax. There's a simplified SBA loan eligibility questionnaire to help small or occasional lenders meet SBA's eligibility requirements, and training on SBA program requirements is available through the Nebraska District Office.

## FLIGHT! NEBRASKA GROUP HONORED AS 2ND CONGRESSIONAL DISTRICT'S BEST SMALL BUSINESS

Flight! Nebraska Group, an aviation services company providing flight instruction and aircraft rental, has been named the U.S. Small Business Administration Nebraska District Office Small Business of the Year for 2010 for the 2nd Congressional District.

Flight! Nebraska was honored in a ceremony July 9 during the monthly Empowerment Breakfast at the Omaha Regency Lodge. Rep. Lee Terry, R-Neb., introduced Flight! Nebraska Group during the breakfast, and Leon Milobar, District Director of the Nebraska District Office, presented the award.

"Roy Kessell, President of Flight! Nebraska Group, LLC embodies the admirable characteristics of small business entrepreneurs, passion, optimism, leadership, and ingenuity," said Rep. Terry. "This award recognizes Mr. Kessell's hard work establishing a solid Nebraska company focusing on innovative ways to grow and serve the community. I'm particularly proud of his effort to reach out to our disadvantaged and diverse student population in Omaha to offer a foundation for these young men and women to build a career in the aviation field. His efforts reflect the slogan of our state 'Nebraska, possibilities...endless'."

Flight! Nebraska was nominated for the honor by Omaha Nebraska Business Development Center (NBDC) director Cliff Mosteller.

From its establishment in April 1999 to fulfill a need for aviation services in nearby Plattsmouth, to its present location at the TACAir complex at Epply Airfield in Omaha, Flight! Nebraska Group, LLC, has served as the area's premier flight training and aircraft rental operation.

Flight! Nebraska has developed a unique

training program for a disadvantaged and diverse student population drawn from the Omaha Public Schools. According to company president Roy C. Kessell, the flight and ground training the company offers provides not only the basis for entry into the job market as a member of a flight crew, but other career opportunities in aviation.

A conversation over coffee a few years ago led Kessell, a longtime Omaha business owner, U.S. Air Force staff officer and strategic planner, to join with the Eastern Nebraska Community Action Partnership to develop a flight training program curriculum. From ground and flight



(From left to right) U.S. Rep. Lee Terry (R-Neb.), Flight! Nebraska Group president Roy Kessell, Nebraska District Office district director Leon Milobar and Nebraska Business Development Center director Cliff Mosteller pose during a ceremony July 9 at the Empowerment Breakfast honoring Kessell as the 2nd Congressional District Small Business of the Year.

training, to solo flights in a single-engine aircraft, the goal is to offer private pilot certification while receiving high school and college credit. This summer, Flight! Nebraska will hire four or five young men and women to work for the company and learn the aviation business.

Kessell sought out the assistance of the Omaha office of the NBDC for a business plan to expand operations and software assistance for the flight training concept for at-risk youth.

Flight! Nebraska Group also founded a 501 (c)(3) non-profit educational fund to raise money for the program, which even garnered a donation of a Piper Cherokee 140 single-engine training aircraft.

Join other Omaha small businesses and area lenders at Omaha's **Small Business Empowerment Breakfast**

**August 13**

Regency Lodge, 909 South 107th Avenue, Omaha

**7—8:30 a.m.**

The cost is \$14 per person, which includes a full buffet breakfast.

[Please register in advance online](#), and make checks payable to Regency Lodge.

The Empowerment Breakfast is simple and effective. Each month, four businesses introduce their services and products in a three-minute presentation. If you wish to be a presenter, please call Barb Foster at 221-7212. During this event, everyone attending is introduced, so bring your business cards, make some contacts, and have some fun!

## CONGRATULATIONS TO OUR RECENT LOAN APPROVALS (JUNE 22 TO JULY 19)

Approval Date	MajPrg	Gross Amt	Lender Name	Lender City	Delivery Method
6/22/2010	7A	20000	UNION BANK AND TRUST COMPANY	LINCOLN	SBA Express
6/23/2010	7A	60000	SECURITY NATL BK - OMAHA	OMAHA	SBA Express
6/24/2010	7A	330000	WELLS FARGO BANK NATL ASSOC	SIOUX FALLS	PLP
6/24/2010	7A	200000	ADAMS BANK & TRUST	OGALLALA	SBA Express
6/24/2010	7A	36800	PLATTE VALLEY ST. BK & TR CO	KEARNEY	SBA Express
6/24/2010	7A	225000	ACCESS BANK	OMAHA	Other 7(a)
6/24/2010	7A	50500	EQUITABLE BANK	GRAND ISLAND	SBA Express
6/25/2010	7A	40000	EQUITABLE BANK	GRAND ISLAND	SBA Express
6/25/2010	7A	40000	EQUITABLE BANK	GRAND ISLAND	SBA Express
6/25/2010	7A	225000	FRONTIER BANK	MADISON	SBA Express
6/30/2010	7A	288000	UNION BANK AND TRUST COMPANY	LINCOLN	RLA
7/2/2010	7A	150000	NORTHWEST BANK	SPENCER	Other 7(a)
7/2/2010	7A	85000	HERITAGE BANK NATL ASSOC	HOLSTEIN	RLA
7/2/2010	7A	160000	FIRST STATE BANK	GOTHENBURG	SBA Express
7/6/2010	7A	30000	ADAMS BANK & TRUST	OGALLALA	SBA Express
7/7/2010	7A	510000	WELLS FARGO BANK NATL ASSOC	SIOUX FALLS	PLP
7/9/2010	7A	485700	FIRST WESTROADS BANK, INC	OMAHA	Patriot Express
7/9/2010	7A	100000	WELLS FARGO BANK NATL ASSOC	SIOUX FALLS	SBA Express
7/9/2010	7A	370000	MUTUAL OF OMAHA BANK	OMAHA	PLP
7/12/2010	7A	32900	FIRST NATIONAL BANK	NORTH PLATTE	SBA Express
7/13/2010	7A	50000	PINNACLE BANK	LINCOLN	Comm. Express
7/13/2010	7A	7500	SUPERIOR FINANCIAL GROUP, LLC	WALNUT CREEK	Comm. Express
7/14/2010	7A	25000	CORNHUSKER BANK	LINCOLN	SBA Express
7/14/2010	7A	135600	WELLS FARGO BANK NATL ASSOC	SIOUX FALLS	PLP
7/15/2010	7A	635000	UNITED WESTERN BANK	DENVER	PLP
7/15/2010	7A	30000	CENTRIS FCU	OMAHA	SBA Express
7/15/2010	7A	635000	UNITED WESTERN BANK	DENVER	PLP
7/16/2010	7A	347600	NORTHWEST BANK	SPENCER	Other 7(a)
7/16/2010	7A	75000	WELLS FARGO BANK NATL ASSOC	SIOUX FALLS	SBA Express
7/16/2010	7A	50000	CENTRIS FCU	OMAHA	SBA Express